

# The Mercury News

## Plans for new dams, reservoirs in California hit big hurdle

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Signaling trouble for nearly a dozen landmark water storage projects to help California cope with its next drought, state water officials on Thursday announced none of the proposals — including raising Contra Costa County’s Los Vaqueros Dam and building a new Santa Clara County dam near Pacheco Pass — provide the public benefits that their supporters claim, potentially putting their state funding at risk.



Alex Amaya, of Pleasant Hill, Calif., walks down a trail after taking advantage in the break in the weather by fishing on the shore of Los Vaqueros Reservoir in Livermore, Calif., on Wednesday, Jan. 11, 2017. The Contra Costa Water District, and 14 other water agencies are proposing raising the height of the dam by roughly 50 feet, a \$914 million project for which they are seeking \$434 million in state bond funds. (Doug Duran/Bay Area News Group)

The announcement sent waves of anxiety and concern through California’s water world, and could be a major stumbling block in the efforts to expand the state’s water supply.

Three years ago, during the depths of California’s historic drought, [state voters overwhelmingly approved Proposition 1](#), a \$7.5 billion bond measure to pay for new water projects, including building more dams and reservoirs.

Hoping to get some of that money, water districts drew up plans and submitted lengthy applications for 11 projects, including two in the Bay Area and a massive new \$5.1 billion lake in Colusa County known as Sites Reservoir.

But on Thursday, the staff of the California Water Commission, which must decide by July which water storage projects will receive bond money, raised major concerns. They announced that nearly half of the projects have no public benefits that meet the ballot

measure's rules for getting money, and the rest fall significantly short of providing as much benefit to the public as they would cost.

Joe Yun, executive officer of the commission, whose nine-member board is appointed by Gov. Jerry Brown, said at a meeting in Sacramento that his agency will provide more details to the public on Feb. 2, and that the projects' supporters will have three weeks to appeal. The scores could change after those appeals come in, he said, which would affect how much money, if any, is approved for each project.

"We are not kicking folks out," he said. "This is an expression of additional information that needs to come."

But dam supporters were shaken. If the low scores by the commission's staff hold up through its appeals process in the next few months, many of the dam and reservoir projects are likely to get no state money from Proposition 1 or in some cases, less than they have budgeted, reducing their chances of ever getting built.

"We were shocked," said Tim Quinn, executive director of the Association of California Water Agencies, a coalition of 430 public water agencies across the state.

"I think the voters would be concerned that staff working for the state government are clearly raising huge hurdles toward moving these projects forward," Quinn said.

State Sen. Jim Nielsen, R-Yuba City, said the state is risking losing its best opportunity in 50 years to build new reservoirs.

"The public should be concerned. They voted for large new dams and reservoirs," Nielsen said. "I think this is an effort to undermine the intent of the voters. It looks like the staff is setting the bar so high that nobody can reach it. The citizens of California need to know what's happening. I can't say how important this is."



Mary Well's ranch sits in the middle of the proposed Sites Reservoir in Maxwell, Calif., on Friday, Sept. 26, 2014. The ranch she has owned for 40 years will one day be submerged underwater if the reservoir is built. A coalition of water agencies is proposing building a \$5.1 billion Sites Reservoir in Colusa County that would hold 1.8 million acre feet of water, roughly the same size as San Luis Reservoir east of Gilroy.  
(Gary Reyes/Bay Area News Group)

Both the California Democratic and Republican parties, along with Gov. Jerry Brown and Sen. Dianne Feinstein and then-Sen. Barbara Boxer, endorsed Proposition 1, which passed with a landslide 65-35 percent vote in November 2014. Major unions, the Silicon Valley Leadership Group and the California Chamber of Commerce endorsed it, as did the California Farm Bureau Federation and numerous environmental groups, including the Nature Conservancy, Audubon California and the Natural Resources Defense Council.

The measure provided money for new water treatment plants, water recycling projects, flood control projects and wetlands restoration. Some of that already has been spent by other agencies on those projects. The measure also provided \$2.7 billion for new water storage, which is defined as dams, reservoirs and groundwater storage.

### **MONEY FOR DAMS?**

Proposals to raise Contra Costa County's Los Vaqueros Dam and build new dams in Santa Clara and Colusa counties are among 11 projects vying for funding from Proposition 1, a \$7.5 billion bond measure to pay for new water projects.



But unlike with other water bonds in the past, Democrats in the Legislature who put it on the ballot insisted that none of the measure's money for dams could pay for increased water storage, only other benefits, particularly environmental ones. The fine print of the ballot measure also says that the bond money can pay no more than half of any project's total cost, with local water agencies or the federal government paying the rest.

And most important, it requires that every storage project must be ranked by the California Water Commission with a scoring system that takes into account "public benefits." Those benefits are defined not as how much water a reservoir can hold, but rather, how much it improves recreation, like boating or hiking, flood control and environmental conditions, such as helping endangered salmon populations come back by providing cold water to streams during dry periods.

Some environmental groups say those rules make sense.

"If the state is going to put up taxpayer money for a project, it is appropriate that there be broad public benefit rather than just subsidizing private interests or agencies who have other means of getting the funding from local ratepayers," said Kyle Jones, a policy advocate with Sierra Club California. "It's not fair for people in Redding to subsidize a dam in Los Angeles unless the whole state is benefiting."

The commission wrote rules to calculate a "public benefit ratio" that would account for 33 percent of the overall score of each project, with the rest coming from categories like how feasible it is to construct or how resilient it will be as the climate changes. For example, supporters of an \$800 million project asking the state for \$400 million must show that their project would provide \$400 million in new public benefits, like improved salmon runs, flood control or recreation. If they don't hit that 1-to-1 ratio, they are less likely to receive the money. Further, half of all the money the state gives must be for "ecosystem improvements," the ballot measure said.

In recent weeks, although all the projects claimed ratios of \$2 in public benefits for every \$1 in state money, or even as high as \$6-to-\$1, staff members at the state Department of Fish and Wildlife, State Water Resources Control Board and Department of Water Resources have reduced or rejected those economic claims as inflated. After the detailed scores are made public by the commission on Feb. 2, the agencies will have until Feb. 23 to change their projects as part of their appeals to increase the chance of getting funded.

“We’re not paying for water. We’re paying for public benefits,” said Chris Orrock, a spokesman for the California Water Commission. “As defined in Prop 1, water is not one of those benefits that we are funding. We’ve been very clear at every step.”



*Paul Rogers has covered a wide range of issues for The Mercury News since 1989, including water, oceans, energy, logging, parks, endangered species, toxics and climate change. He also works as managing editor of the Science team at KQED, the PBS and NPR station in San Francisco, and has taught science writing at UC Berkeley and UC Santa Cruz.*

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